

FUND OVERVIEW

MESSAGE FROM THE CIO & IE



Ashraf Esmael

Chief Investment Officer - Middle East

Nomou Jordan's impact profile remains strong, with 1,428 direct jobs sustained by a portfolio of 38 small and growing businesses (SGBs). The outstanding balance on the portfolio stands at USD 15.8m, compared to total investments of USD 21.7m. To date, the Fund has realised USD 11.5m, or 53% of total investments. As at the end of Q3 2019, the Fund had disbursed USD 0.8m. This figure includes two transactions with businesses owned by refugees. Total disbursement is forecast to close at USD 3m by year end, as the Fund actively builds its deal pipeline through a stronger focus on marketing.



Alfinaz Murad

Investment Executive - Jordan

Successful recruitment has led to reinstatement of GroFin Jordan investment capacity that now allows for progressive growth in investment activity but with due regard for the prevailing economic conditions. Jordan is still struggling to find solutions for its ailing economy and growth has slowed down dramatically, hovering at around 2.2% in 2019. Jordan's swelling population means that GDP per capita, which is a better indication of how economic growth affects people's lives, has not grown at all. The overhang of the tax law passed last year has taken its toll on the Jordanian stock market, reducing consumer confidence and purchasing power in the process. This situation has put considerable strain on the Nomou Jordan Fund and its clients over the past year.

QUARTERLY HIGHLIGHTS

- Portfolio Growth**

The Fund has disbursed USD 0.8m this year, as at the end of Q3 2019. This figure includes two transactions to support refugee-owned businesses. Total disbursement for the year is expected to reach between USD 2m and USD 3m.

- Impact & ESG**

GroFin is proud to be recognised by the Dutch Good Growth Fund (DGGF) for our focus on ESG and commitment to our impact mission. GroFin will be featured as an organisation embodying "Best Practice" in a DGGF programme on sustainable development and investment and in an online toolkit for DGGF portfolio funds and banks.

- Deal Generation**

The Fund is actively focusing on strengthening its deal pipeline and has enlisted the services of Naked Brain, a local marketing agency. During Q3, Naked Brain assisted GroFin Jordan in carrying out Arabic email marketing campaigns targeting key sectors.

- Investors**

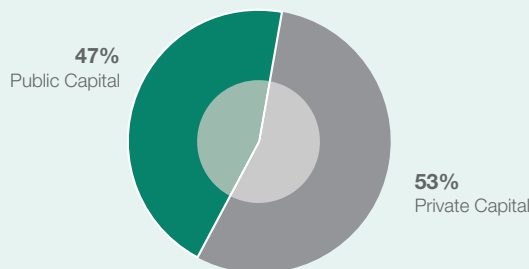
Ashraf Esmael, GroFin's Chief Investment Officer: Middle East and Neveen Al-shawabkeh, a woman entrepreneur and Nomou Jordan client, took part in a panel discussion on gender lens investment at a conference hosted in Amsterdam on behalf of DGGF.

CAPITAL OVERVIEW

As at Q3 2019

Capital raised.....**USD 26.8M**
 Number of Investors & Funders**5**

Capital Structure



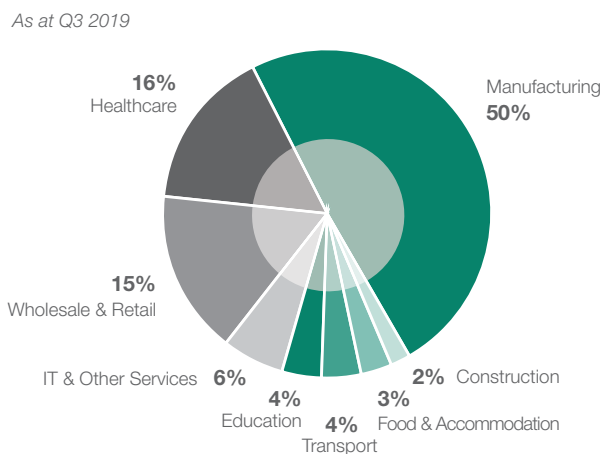


PORTFOLIO

OVERVIEW

	As at	Q2 2019	Q3 2019
Total disbursement to SMEs		USD 21.4M	USD 21.7M
Total portfolio balance		USD 17.1M	USD 15.8M
Total number of SMEs invested in		36	38
	During	Q2 2019	Q3 2019
New SMEs invested in		1	2
Value of disbursement to SMEs		USD 282K	USD 268K

DISBURSEMENT BY SECTOR



GENDER LENS SUPPORT

GroFin Jordan reaches out to women entrepreneurs

GroFin is committed to the empowerment of women as one of our key impact objectives. Earlier this year, we launched a Gender Lens Investment Initiative aimed at ensuring more women entrepreneurs can access the financing and support they need to succeed.

GroFin Jordan recently hosted a group of about 20 women entrepreneurs from SMEs in Amman and a number of other districts. This working breakfast introduced the entrepreneurs to GroFin's model and services, while providing a crucial platform for discussion on the challenges faced by Jordanian SMEs and women business-owners. The event was also attended by representatives from the Jordanian ministries of Agriculture and Communications & Information Technology.



"I would like to thank GroFin for the opportunity they created for us as women entrepreneurs to discuss business and the challenges we face."

Heyam Juries Makhmreh, event attendee

KfW and GroFin leadership visit Jordan clients

Dagmar Wassmuth, a financial sector expert and consultant from KfW, recently travelled to Amman to visit several Nomou Jordan clients. Her visit formed part of a due diligence process being conducted on behalf of KfW. Dagmar was accompanied by GroFin CEO, Guido Boysen, and Chief Investment Officer for the Middle East, Ashraf Esmael.

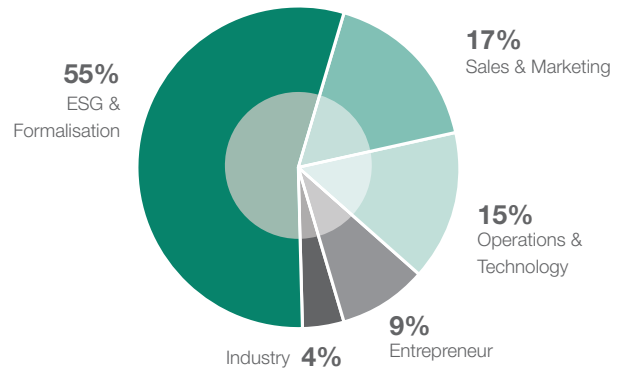


BUSINESS SUPPORT

OVERVIEW

As at	Q2 2019	Q3 2019
Entrepreneurs who received pre-investment business support	517	521
Entrepreneurs who received post-investment business support	36	38
During	Q2 2019	Q3 2019
Entrepreneurs receiving pre-investment business support	56	4
Entrepreneurs receiving post-investment business support	25	25
Refugee-owned businesses receiving post-investment business support	7	8

Business Support Interventions by Key Risk Areas



DEAL GENERATION

GroFin pilots new digital marketing strategy

The GroFin marketing team is implementing a new integrated digital marketing strategy to increase the number of business leads generated through online channels. The strategy combines social media, search engine marketing and targeted emailers to help GroFin reach new audiences outside its existing networks.

GroFin Jordan has enlisted the services of Naked Brain, a local marketing agency to provide local expertise and further strengthen marketing activities on the ground. Naked Brain specialises in digital content and social media services in English and Arabic. During Q3, Naked Brain assisted GroFin in carrying out email marketing campaigns targeting its sectors of focus.

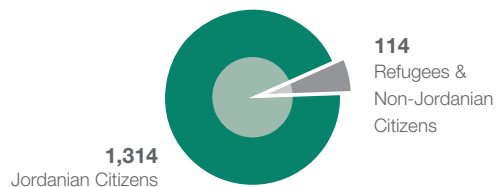


REFUGEE OUTREACH

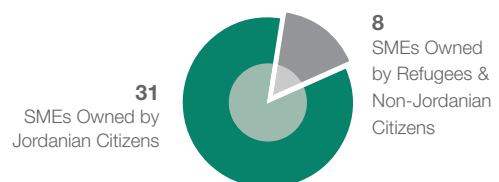
OVERVIEW

As at	Q2 2019	Q3 2019
Refugee & non-Jordanian livelihoods impacted directly	620	630
Direct jobs sustained by refugees & non-Jordanians	112	114
Refugee & non-Jordanian owned businesses receiving financial and post-investment business support	7	8
Disbursements in refugee & non-Jordanian owned businesses	USD 4.1M	USD 4.4M
Investee businesses employing refugees & non-Jordanians	16	17

Direct Jobs Sustained by Nationality



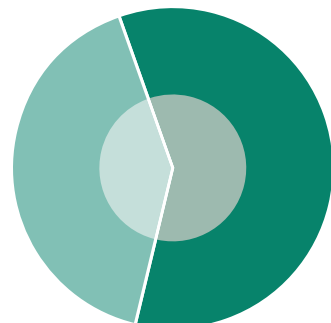
Financial and Post-investment Business Support





IMPACT

Cumulative Direct Jobs Sustained by Gender



OVERVIEW

As at	Q2 2019	Q3 2019
Total jobs sustained	2,199	2,240
Direct jobs sustained	1,401	1,428
Total livelihoods sustained	10,995	11,200
Direct jobs sustained per USD 1M disbursed	65 jobs	66 jobs

- The Nomou Jordan Fund invested in two new SMEs during Q3: Al Shaffaf Forming Plastics and Islam Kaoukji Ltd. These investments added 17 new direct jobs to the portfolio. Al Shaffaf Forming Plastics is fully owned by a Syrian refugee and two of the direct jobs the business sustains are held by Syrian refugees.
- As a result of the new direct jobs added from new clients and new direct jobs created by existing clients, the Fund now sustains 66 direct jobs per USD 1m disbursed.
- The Fund currently sustains 114 direct jobs held by refugees, migrants and non-Jordanian citizens with 17 out of the 38 businesses (45%) in the portfolio providing employment opportunities to these groups.
- To date, the Fund has disbursed USD 4.4m to businesses owned by refugees, migrants, and non-Jordanian citizens and 8 out of the 38 businesses (21%) in the portfolio fall within this category.

BENEFICIARY SPOTLIGHT

Al Shaffaf Forming Plastics

Rawan Abu Sara (29), the graphic designer and acting plant manager for Al Shaffaf Forming Plastics company, started working there six years ago. Before joining Al Shaffaf, she struggled to find a job close to home as demand for her craft is very limited in the underprivileged area where she lives. Rawan’s income helps to support her parents and two sisters.



My movement is limited by the culture of my society. Being employed by Al Shaffaf, located near where I live, has helped me overcome this. I am very proud to be a financially independent, productive and value-adding member of my family and my society.”

Rawan Abu Sara, Al Shaffaf employee





PARTNERSHIP

GroFin takes part in DGGF conference in Amsterdam

The Dutch Good Growth Fund (DGGF) began its partnership with GroFin in 2015, shortly after the Fund’s launch by the Dutch Ministry of Foreign Affairs. GroFin recently took part in a conference hosted in Amsterdam by Triple Jump and PwC, on behalf of the DGGF.

Under the theme Closing the SME Finance Gap: Empowering Young & Women Entrepreneurs in Frontier Markets, discussions at the event focused on finding scalable and innovative SME financing solutions in challenging markets. GroFin CEO, Guido Boysen, took part in a panel discussion on risk reduction strategies. He highlighted the use of self-liquidating debt instruments to mitigate exit-risk and stressed deploying customised business support to ensure businesses can service their debt.

Ashraf Esmael, Chief Investment Officer: Middle East, represented GroFin in a discussion on the practical application of gender lens investment strategies to promote female entrepreneurship.

“ Women entrepreneurs make up a sizable portion of GroFin’s investment portfolio, even though our investment approach has historically been gender-neutral. Through adopting a gender lens investment approach, we aim to better our understanding of women entrepreneurs to deliver a solution that is responsive to their unique needs as our clients.

Ashraf Esmael, Chief Investment Officer: Middle East



BUSINESS SUPPORT SPOTLIGHT

Nomou Jordan client invited to take part in DGGF panel

DGGF invited Neveen Al-shawabkeh, a woman entrepreneur and Nomou Jordan client, to take part in the gender lens panel discussion mentioned above. Neveen is the owner of Al Mueen Marketing & Distribution, which manufactures its own brand of tissue paper.

In 2016, Nomou Jordan provided Al Mueen with USD 860,987 in financing to purchase new production equipment. At the end of 2017, Neveen relocated her production plant to an industrial development area to take advantage of lower taxes and easier access to export market.

GroFin helped Neveen to overcome severe delays in the installation of electricity at her new premises. These delays caused a much longer than expected halt to Al Mueen’s production. As a result the business’s cash flow dried up. Under a traditional financing framework Neveen would have defaulted on her loan and lost her business and assets.

GroFin’s model allowed for the restructuring of her loan so the business could survive this difficult period. Neveen also received continuous business support, including assistance in legal matters to gain full control of her company through the exit of a business partner. Thanks to GroFin’s support and network of contacts she was able to secure funding for raw materials to finally resume production. During Q3, Al Mueen’s new and larger production plant successfully commenced its operations. It currently employs eight people, but this number is expected to climb to 35, which will include ten Syrian refugees.



“ Investors should understand and appreciate women’s ability to achieve something and treat them as strong partners, not weak ones. GroFin invested in me because of my mind and intellectual ability. That is why I see them as my partners and not my lenders.

Nevveen Al-Shawabkeh